

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

May 12, 1999

LB 271

purpose of the holding of educational lands and funds? To raise money for schools. If that's the case and it's inside a public purpose, what does Senator Wickersham's LB 271 say? It says exempt all the land and collect nothing in the form of taxes, reduce from payment in lieu of taxes to nothing. I cannot tell you which of those is right, but to say somehow, wait a second. Let's not adopt the amendment because of an implication on educational lands and funds and return to a bill which would exacerbate that by twice arguably, isn't any more sensible, and I'll tell you what the answer is. The answer is to adopt or not adopt 1492 based on whether you think the general principle is right and then solve the underlying problem with educational lands and funds which exists in the bill itself and potentially with my amendment by a separate amendment. The answer is not simply to reject this amendment on that basis because there is an underlying problem in the bill on defining educational lands and funds. Now the educational lands and funds board came in and said we think that we're subject to paying full taxation on this land. However, as Senator Bromm will tell you, they have a fiduciary responsibility to divert as much of the money that they have constitutionally to educational purposes. And when it becomes clear to them that the same argument that can be made as the airport authorities will make to their lands, they will have a fiduciary duty to come in and claim that the income from these leases is for the public purpose of the general school fund. In fact, they'll be able to cite a constitutional provision and they'll be able to cite Section 9 of Article VII which says: The following funds, and these are the school funds, shall be exclusively used for the support and maintenance of the common schools and there it will include (b) the income from the unsold school lands, except that costs of administration shall be deducted from the income before it is so applied. Now that says all the money from these leases goes to the schools except for costs of administration. What are costs of administration, can you tell me? I don't know, but neither can LB 271 which means that if you're going to use the educational lands and funds argument, it is a thorn in the heel of the bill as well as the amendment. That is not the distinguishing characteristic to choose whether you want the amendment or not. The way to handle that problem is to write a specific amendment for the educational lands and funds situation making it clear to everyone what we think the policy is. As far as I'm concerned,